July 22, 2019

Chris Horton, Ph.D., CIA, CGAP
County Auditor
2100 E Clarendon Blvd, Suite 300
Arlington VA, 22201

Dear Dr. Horton,

I appreciate the opportunity to work with your office and review the Fire Department Overtime Audit. Our staffs agree with the importance of improving the administration and operation of the Arlington County Fire Department (ACFD). I want an open and clear view into the financial management of ACFD. Many of the recommendations in the report are in process and will help improve financial controls and staffing decisions. ACFD will discuss our concerns on a few points that impact overtime and staffing management. I appreciate and agree with your assessment that financial violation of policies or improprieties were not found during your research. ACFD staff and administrators are keenly aware of the responsibilities with managing all county resources.

ACFD agrees with twenty (20) recommendations and partially agrees with three (3) more. Actions to address three recommendations are almost complete. Most of the recommendations are in the department's short-term work plan or will be incorporated in a multi-year accreditation process.

Some of the report's content is similar to the findings and recommendations contained in the Arlington County Police Department Overtime Audit that was presented to the County Board during June 2019. I will commit staff and resources to find solutions that are common to public safety departments in terms of special event billing practices and administration of time and attendance systems. We will immediately address any issues that impact service delivery or responder health and wellness.

I appreciate your review and the cooperative approach that improves our practices and function. I am looking forward to making enhancements and discussing new ways to make the department better.

Sincerely,

David Povlitz
Fire Chief

Finding 1: Systems used to manage ACFD overtime can be used more effectively

Recommendation 1.1: ACFD should ensure appropriate access and segregation of duties exists in the payroll process. Preventive controls and detective controls should be implemented in the process.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion
Agree	Personnel Services Deputy Chief	Currently the ACFD TeleStaff Administrator is responsible for all TeleStaff issues within the Fire Department. The County's public safety agencies have staffed a new TeleStaff System Administrator who will be responsible for oversight of the TeleStaff program administration for Police, Fire, Sheriff, and Public Safety Communications and Emergency Management. This will allow for segregation of duties between managers and administrators who interact with time, attendance, and payroll systems for all public safety agencies. Within ACFD, a policy will isolate the time and attendance data in TeleStaff from PRISM payroll authorization. Expected completion: January 2020

Recommendation 1.2: TeleStaff should be reconciled to PRISM on a periodic basis. Significant discrepancies should be evaluated and resolved in a timely manner.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Personnel Services Deputy Chief	The creation of the new public safety TeleStaff System Administrator position will allow for more auditing and reconciliation between TeleStaff and PRISM. As this position is implemented, specific policies and procedures will be created to outline the duties of this position versus the Department's TeleStaff specialist. Expected completion: January 2020

Recommendation 1.3: ACFD should perform periodic reviews of system access to ensure permission levels are appropriate based on employee's current responsibilities. Access levels reviews should be formally conducted and documented by a deputy chief or the assistant fire chief periodically to ensure risks are managed appropriately.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Personnel Services Deputy Chief	ACFD will develop and implement a process to audit access levels in Telestaff on a regular basis (at least quarterly) to ensure that access is appropriate based on

		an employee's current job responsibilities. The Deputy Chief of Personnel Services will authorize any changes of access levels that are recommended by the permission review. Expected completion: January 2020

Recommendation 1.4: ACFD should ensure individuals responsible for monitoring access have the appropriate training and knowledge to understand the risks and controls associated with segregation of duties in the payroll process.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Personnel Services Deputy Chief	ACFD in coordination with ACPD and the new public safety TeleStaff System Administrator will develop and implement TeleStaff training for those with administrative rights and those responsible for monitoring system access to ensure that the risks and controls associated with segregation of duties in the payroll process. Expected completion: January 2020

Recommendation 1.5: ACFD should explore automating some staffing processes in Telestaff, such as leave approvals and awarding overtime.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Personnel Services Deputy Chief Emergency Services Deputy Chief	ACFD in coordination with the new public safety TeleStaff System Administrator will determine which, if any, staffing processes in TeleStaff can be automated for efficiency while maintaining the integrity of the department's leave and overtime policies. In addition, a review of existing policies including A.05-Cat 2 Administrative Responsibilities of Station Officers, A.06-Cat 2 Chief Officer Routine Administration, and A17-Cat 3 Administrative Overtime, and A.24 Overtime Call Back will be updated to accommodate any changes in entry of leave and work codes, approval of requests, and distribution and processing of filling vacancies with overtime. ACFD will initiate a workgroup to review the staffing rules and methodologies in order to optimize the function of TeleStaff when used to allocate callback opportunities. Expected completion: January 2020

Recommendation 1.6: ACFD should determine what management's needs are and create automatic reports that can be run at established frequencies to allow for more effective oversight of overtime. Additionally, ACFD should work with PSIT to create or evaluate additional reporting capabilities that can utilize or merge data from both TeleStaff and PRISM.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Partially Agree	Personnel Services Deputy Chief Emergency Services Deputy Chief Financial Officer Public Safety Information Technology (PSIT)	ACFD with the assistance of the new public safety TeleStaff System Administrator will establish Department needs and create reports to be run on a regular basis to evaluate trends and analyze overtime spending. However, while in concept we agree that both TeleStaff and PRISM should communicate fully to allow for more analysis of data, the current capabilities of these systems do not allow for this to occur. ACFD along with other public safety agencies will explore potential options to compare data from the two systems. It is anticipated that the newly implemented public safety TeleStaff System Administrator position will allow some work space for this analysis to occur. The incumbent will be working with PSIT and the Department of Human Resources to develop a solution to allow for increased reporting and verification of data. Expected Completion: January 2020

Recommendation 1.7: ACFD should integrate more TeleStaff codes into PRISM to allow for better reporting on overtime costs.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Personnel Services Deputy Chief Financial Officer ACFD TeleStaff Administrator PS TeleStaff System Administrator	ACFD will work with ACPD (who has already completed this task) and the public safety TeleStaff System Administrator to integrate additional TeleStaff codes into PRISM for more efficient and effective reporting on overtime costs. Expected Completion: January 2020

Recommendation 1.8: ACFD should consider working with other TeleStaff users in the area, including the Arlington County Police Department and neighboring jurisdictions, to see how they

utilize TeleStaff. This may result in the identification of best practices, additional functionality, and or efficiencies.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Office of the Fire Chief

Personnel Services Deputy Chief

Financial Officer | ACFD will work with ACPD, the public safety TeleStaff System Administrator, and other agencies to collaborate within the public safety community on optimization practices, additional functionality, and efficiencies in the utilization of TeleStaff. The MWCOG Administrative Services subcommittee under the regional Fire Chiefs Committee will be tasked to form a TeleStaff working group to explore best usages and approaches.

Expected Completion: January 2020 |

Recommendation 1.9: ACFD should develop an automated workflow for invoice creation, approval, and payment receipt. Controls need to be documented to ensure sufficient segregation of duties for billing and payment processing functions to ensure billing practices can be consistently applied. For example, ACFD should ensure checks never go directly to the individuals responsible for creating the invoices. Additionally, ACFD may want to seek out training within the County's ERP to determine how to evaluate whether payments have been received and recorded properly. This may require a change in system access, if necessary.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Office of the Fire Chief

Financial Officer

Support Services Bureau

Public Safety Information Technology (PSIT)

Department of Technology Services (DTS) | ACFD will work with ACPD, DPSCEM, and PSIT/DTS to develop an in-house system to create and track invoices. The system will be designed to allow the Financial Officer to track payments and identify delinquent accounts which require follow up.

This system will allow for coordinators to create an invoice in a standardized manner and the data will transition into a tracking system managed by the Financial Officer who will be responsible for updating the database and depositing the check once payment has been received.

Expected Completion: January 2020 |

Recommendation 1.10: ACFD should evaluate their options and develop a fee schedule that will be utilized for special events, including: opportunities to seek additional cost recovery for various

vehicles types and equipment utilized, and charging for administrative fees to cover costs associated with scheduling and planning events.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Office of the Fire Chief

Personnel Services Deputy Chief

Emergency Services Deputy Chief

Financial Officer

Logistics Division | ACFD will work to develop fee schedules that will be utilized for special events to include cost recovery for apparatus, vehicles, and equipment utilized for the event. The proposed fee schedule will be consistent in structure to ACPD's schedule.

With the development of this fee schedule, it is anticipated that a standard rate will be developed for each type of apparatus/position utilized to reduce the administrative burden of invoicing for special events.

ACFD will also conduct analysis to determine whether it is feasible or effective to charge an administrative fee to cover the costs associated with scheduling and planning events.

Any fee establishment or change will require County Board approval.

Expected completion: May 2020 |

Recommendation 1.11: ACFD should formalize a policy for when it is appropriate to request reimbursement for their services. Additionally, ACFD should ensure there is always an agreement in place that clearly defines roles, responsibilities, agreed-upon staffing, and payment terms for regional support provided. If payment will not be received, an exception process that requires chief or assistant chief's approval should be developed.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Support Service Deputy Chief	ACFD will develop a policy stating criteria to charge for services when providing support for planned events. ACFD will coordinate with Department of Parks and Recreations and ACPD to develop guidance and consistent billing practice.

Expected completion: January 2020 |

Recommendation 1.12: ACFD should consider setting a standard rate to bill for services to reduce the administrative burden of manually calculating each invoice. As part of this process, ACFD should also: document and communicate their rate setting process for hourly rates, and fee

schedule for equipment charges; regularly evaluate rates based on current salaries of personnel to ensure they are appropriately recovering costs associated with overtime; and document the frequency and methodology at which it will evaluate the effectiveness of cost-recovery for each type of event.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Office of the Fire Chief Personnel Services Deputy Chief Emergency Services Deputy Chief Financial Officer Support Service Deputy Chief	ACFD will complete this as part of the action plan for Recommendation 1.10. Any fee establishment or change will require County Board approval. Expected Completion: May 2020

Finding 2: ACFD overtime use has recently caused it to exceed its budget, and staffing challenges make overtime management difficult

Recommendation 2.1: Overtime expenditures should be broken down into more categories, such as special events or operations overtime, so that utilization can be evaluated throughout the year.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Office of the Fire Chief Personnel Services Deputy Chief Financial Officer ACFD TeleStaff Administrator Department of Management and Finance (DMF)	As part of the action plan for Recommendation 1.7, ACFD will work with ACPD and the public safety TeleStaff System Administrator to cross reference TeleStaff codes into PRISM to assist with analyzing overtime usage and costs. If after this implementation, it is determined that a broader overview of overtime categories is needed, ACFD will work with DMF and other public safety agencies to create additional natural accounts to capture this data (i.e. Special Events Overtime, Special Operations Overtime, etc.). Expected Completion: January 2020

Recommendation 2.2: ACFD should evaluate the possibility of creating a budget entry to make necessary adjustments to overtime and personnel expenditures based on trends of the last three to five years to create more reasonable budget.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Partially Agree	Office of the Fire Chief Personnel Services Deputy Chief Financial Officer Department of Management and Finance (DMF)	ACFD agrees that the Department has been historically under-budgeted for overtime expenses and that discussions need to take place to ensure that reasonable budgets are implemented in the future. However, it is anticipated that with the implementation of the Kelly Day work schedule that unscheduled overtime will be reduced over the next few fiscal years due to the addition of FTE's on each shift before full implementation of the reduced work week schedule.

		ACFD will meet with DMF to discuss this finding and determine the appropriate route to take with regards to overtime budgets in FY 2021 and beyond. Expected Completion: May 2020

Recommendation 2.3: ACFD should perform additional analysis to better understand the cause of injuries and their costs to the department, including overtime costs. This should help determine any correlation between the overtime worked by individuals and injuries.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Personnel Services Deputy Chief Financial Officer	ACFD will reorganize the Health, Wellness, and Safety Office to improve workflow and impact within the department. One of the new capabilities will be a committee to investigate, analyze, and recommend improvement to address personnel, equipment, and vehicle accidents. These findings can be correlated to costs and operational impacts. Expected completion is January 2020.

Recommendation 2.4: ACFD should evaluate how staffing may need to be changed in civilian roles to meet best practice standards for administrative roles that assist with budget, finance, and payroll functions.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Office of the Fire Chief	An assessment of support and administrative positions is a component of the accreditation process as noted in the response for Recommendation 2.5. This assessment will coincide with a position audit in budget preparations for Fiscal Year 2021. Expected completion is May 2020.

Recommendation 2.5: ACFD should consider procuring a needs assessment and a staffing study that can assist them in developing a strategy to address staffing challenges that would reduce the need for overtime as ACFD moves to the Kelly Day. These studies may indicate that ACFD may need to be innovative, such as combining bordering fire stations with neighboring jurisdictions, or

establishing a requirement for removing vehicles from service when minimum staffing cannot be obtained.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Partially Agree	Office of the Fire Chief	The ACFD initiated an accreditation process following the Center for Public Safety Excellence model. The department is currently conducting a community risk assessment to determine the focus of emergency services in the future. The next phase is the development of a standard of cover. The standard of cover addresses the needs assessment and recommends optimum fire station location, unit placement, and staffing criteria. The accreditation process involves extensive evaluation of the entire fire department with an external peer review for validation. We agree with recommended needs assessment and staffing study. However, ACFD has capabilities to deliver these documents using internal resources and analysts. The department would prefer any available resources are used to improve information and analysis systems that can continually perform needs assessments and dynamically recommend modifications to the response system. ACFD will consult with the Northern Virginia Emergency Response System with any initiatives that would impact the regional response with regards to station or unit modifications. Expected Completion is March 2020

Finding 3: ACFD rest period policy should be reconsidered and some improvements are needed in other overtime policies

Recommendation 3.1: ACFD should create a formal monitoring mechanism to ensure compliance with the policy that limits shifts to 60 hours and requires a six-hour rest period before an individual can begin another shift.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Emergency Services Deputy Chief	Emergency services will develop a monitoring and reporting system for compliance with maximum work periods and minimum rest periods as identified in Recommendation 3.2. Expected completion is August 2019

Recommendation 3.2: In association with analysis performed under Recommendation 2.3, ACFD should evaluate whether its policy of allowing up to 60 hours of work, and then six hours of rest, is adequate to ensure the safety of its employees.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Emergency Services Deputy Chief	The Emergency Services section in consultation with the Operational Medical Director and the Health, Wellness, and Safety Office will review current research on responder function in relation to fatigue. Any changes to the consecutive hours of work or the necessary period for rest will be included in a staffing policy for Emergency Services. Expected completion is October 2019

Recommendation 3.3: ACFD should evaluate ways to tighten their sick and leave policies to ensure better control over misuse of sick leave.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Emergency Services Deputy Chief	The Emergency Services Section started reviewing SOP A.32 Cat 3 Leave Policy. This policy impacts personnel assigned to minimum staffing position in emergency services with respect to authorization and validation of sick leave. In addition, the number of available leave slots, currently set at 11 per shift, will be evaluated and adjusted as needed. Expected completion is September 2019

Recommendation 3.4: ACFD should create a clear definition of "short notice" in SOP A.32.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Personnel Services Deputy Chief	The department will clarify the definition of "short notice" in SOP A.32 - Leave Policy with planned review as stated in the 2019/2020 Fire Department Work Plan.
		Expected completion is September 2019

Recommendation 3.5: ACFD should create a departmental policy or procedures regarding processes to monitor overtime, possibly in association with Recommendation 3.6.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Personnel Services Deputy Chief Public Safety Information Technology	As directed by Arlington Human Resources, the Fire Department performs a quarterly review of overtime for employees who earn more than 25% of their base pay in overtime. Personnel Services will expand this review to include the distribution and authorization of overtime hours in TeleStaff. Personnel Services will request Public Safety Information Technology to warehouse TeleStaff data in order to analyze and develop parameters and alerts for managers in Operations.
		Expected completion is January 2020

Recommendation 3.6: ACFD should document a detailed SOP that defines how Telestaff is used to manage overtime. Associated with creating this policy, the following updates should be enacted: 1) modifying the policy that still requires the use of forms for entering leave and overtime; 2) creating a policy that defines when changes can and cannot be made in TeleStaff to overtime and leave entries (e.g., no changes after the schedule is finalized); 3) creating a policy that documents the controls in place to ensure daily OT approvals are entered and approved properly; and 4) procedures to review TeleStaff entries on a daily, weekly, and per pay period basis.

Agree/Disagree	Responsible Individual	Action Plan and Expected Date of Completion (Month/Year)
Agree	Personnel Services Deputy Chief	TeleStaff is used to record and process approved overtime. The Personnel Service section will develop a policy for managers and supervisors to approve requests for and instances of overtime exclusively within TeleStaff. In addition, a review of existing policies including A.05-Cat 2 Administrative Responsibilities of Station Officers,

		A.06-Cat 2 Chief Officer Routine Administration, and A17-Cat 3 Administrative Overtime, A.24 Overtime Call Back will determine the need to consolidate or draft a new policy for TeleStaff usage, audit and management. Expected completion is October 2019